UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/718,500	11/24/2000	Ron Dembo	11483-80	2505

1059 7590 10/08/2003		

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SCOTIA PLAZA
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TORONTO, ON M5H 3Y2
CANADA

EXAMINER
AKERS, GEOFFREY R

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 10/08/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

Office Action Summary	Application No. 09/718,500	Applicant(s) Rambo
	Examiner Mary, g	Art Unit 3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _____3_____ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☑ Responsive to communication(s) filed on ____8/1/03____ .

2a) ☑ This action is **FINAL**. 2b) ☐ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

4) ☑ Claim(s) ____32-85____ is/are pending in the application.

    4a) Of the above, claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☑ Claim(s) ____32-85____ is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.

    If approved, corrected drawings are required in reply to this Office action.

12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a) ☐ All b) ☐ Some* c) ☐ None of:

      1. ☐ Certified copies of the priority documents have been received.

      2. ☐ Certified copies of the priority documents have been received in Application No. _____ .

      3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    *See the attached detailed Office action for a list of the certified copies not received.

14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

    a) ☐ The translation of the foreign language provisional application has been received.

15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☑ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____

4) ☐ Interview Summary (PTO-413) Paper No(s). _____

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____

DETAILED ACTION

Response to Amendment

1. This action is issued in response to applicant's Amendment A(Paper #7) filed 8/1/03.

2. All original claims 1-31 were cancelled. New claims 32-45 were entered.

3. New claims 32-45 are pending.

Claim Rejections - 35 USC § 103

4.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth
> in section 102 of this title, if the differences between the subject matter sought to be patented and the prior
> art are such that the subject matter as a whole would have been obvious at the time the invention was made
> to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be
> negatived by the manner in which the invention was made.

5. New claims 32-45 are rejected under 35 USC 103(a) as unpatentable over Young(US Pat.

No: 6,393,409) in view of Baker(US Pat. No:6,336,103) and further in view of Rebane(US Pat.

No: 6,078,904).

6. As per new claims 32-45, Young teaches a method for optimizing portfolios for multiple

participants(Abstract)(Figs 1-4)(col 2 line 41-col 3 line 25) as well as utilizing a public

network(Fig 1/130) and a benchmark pricing module(Fig 1/160) and an optimization engine(Fig

1/190) and running an optimization(Fig 2/230) until a final one(Fig 3/320) is obtained and an

execution is performed(Fig 3/330).Young teaches the optimization method(Fig 4). Baker teaches

a method for correlation of asset return to future financial liabilities(Abstract)(Figs 1-6)(col 1 line

5-col 3 line 21) including securities to be employed,target returns,portfolio weights(Fig 1A/21) as

well as calculating the covariance and averages(Fig 1A/22) and calculating a spanning

covanriance array(Fig 1A/24) to obtain an average return for each security(Fig 1A/25) and

utilizing security weights(Fig 1A/26) and solving for optimum if the problem with a quadratic

programming solution(Fig 1A/28) and calculating the covariance of the portfolio including

portfolio returns in simulation period(Fig 1A/29) and developing sorted buys and sells and sector

weights(Fig 1A/30).Baker further teaches generating a return for the weighted portfolio of

assets(Fig 1B/37) and iterates on the improvement in covariance by selected allowable changes in

asset weights until convergence is attained.(Fig 1B/40). Rebane teaches risk direct asset

allocation for optimal allocation in a portfolio producing an optimal portfolio(Abstract)(Figs 1-

12)(col 4 line 36-col 5 line 50) as well as reference to the efficient frontier(Fig 1) and investor

risk tolerance functions(Fig 2) as well as a mapping of an investment portfolio's probability

density function onto a preference axis(Fig 3).Rebane further teaches a graphical output from the

main user interface of the software(Fig 7). It would have been obvious to one skilled in the art at

the time of the invention to combine Young in view of Baker and further in view of Rebane to

teach applicant's essential disclosure. The motivation to combine Young in view of Baker is to

teach a method of analyzing a large number of potential assets to develop the optimum portfolio

of assets to track a financial index as enunciated by Baker(col 3 lines 1-4).Furthermore the

motivation to combine Young in view of Baker and further in view of Rebane is to teach a

method for determining for an investor the investor's risk tolerance function and selecting a

monetary allocation of investment assets according to both the risk tolerance function and

quantifiable risk dispersion characteristics of a given allocation of investment assets in the

portfolio as enunciated by Rebane(col 4 lines 37-46).

Claim Rejections - 35 USC § 112

7.   New claims 32-45 are rejected under 35 U.S.C. 112, second paragraph, as failing to set

forth in specifically stated presentation the subject matter which applicants regard as the

invention. In particular, applicant should incorporate the discussion of the method of selecting

the optimal portfolio from the efficient frontier that maximizes the utility function, the method of

calculating the call and put values and what functions they are of the subsets selected and the

method of solving the linear program to determine the efficient portfolio.

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Conclusion

8.   Applicant's amendment necessitated the new ground(s) of rejection presented in this

Office action. Accordingly, **THIS ACTION IS MADE FINAL.** See MPEP § 706.07(a).

Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

       A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within TWO

MONTHS of the mailing date of this final action and the advisory action is not mailed until after

the end of the THREE-MONTH shortened statutory period, then the shortened statutory period

will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR
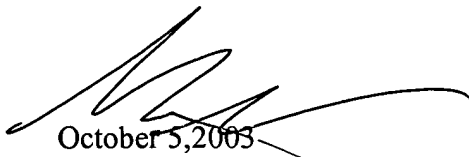
1.136(a) will be calculated from the mailing date of the advisory action. In no event, however,

will the statutory period for reply expire later than SIX MONTHS from the date of this final

action.

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9.   Questions concerning this communication should be addressed to the primary examiner

of record, Dr. Geoffrey Akers, P.E., who can be reached between 6:30 AM and 5:00 PM Monday

through Friday at 703-306-5844. If attempts to contact the primary examiner are unsuccessful,

the primary examiner's superior, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology

Center 3600 or this Art Unit is (703)-308-3687. Any inquiry of a general nature or relating to the

status of this application should be directed to the Group receptionist whose telephone number is

(703)-308-1113.

GRA

October 5, 2003

DR. GEOFFREY R. AKERS, P.E.
PRIMARY EXAMINER